

CONTRACT #5
RFS # 343.20-028

Department of Health

VENDOR:
Global Secure Systems
Corporation (formerly Virtual
Alert, Inc.)



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
CORDELL HULL BLDG.
425 5TH AVENUE NORTH
NASHVILLE TENNESSEE 37247

PHIL BREDESEN
GOVERNOR

KENNETH S. ROBINSON, M.D.
COMMISSIONER

September 26, 2006

RECEIVED

OCT 02 2006

FISCAL REVIEW

Commissioner M. D. Goetz, Jr.
312 8th Avenue, North
21st Floor, Tennessee Tower
Nashville, TN 37243

Dear Commissioner Goetz:

The Communicable and Environmental Disease Services (CEDS) section of the Department of Health requests a Non-Competitive Amendment to Contract # FA-05-16083-01, RFS # 343.49-452-05. The original contract with Global Secure Systems Corp., formerly known as Virtual Alert, Inc., was competitively bid through the RFP process for the provision of a statewide, integrated information and communications system serving as a platform for secure distribution of health alerts, dissemination of disease prevention guidelines, physician practices, treatment protocols, and disease surveillance data.

In accordance with Section B.2. of the contract, the Department of Health requests approval to extend the term of the contract for an additional year through August 30, 2007, add Milestone 8 for the provision of ongoing maintenance, technical support, and software upgrades for the extension period, and increase the maximum liability by \$112,776 to cover the cost of maintenance (\$9,398 per month for an additional year). This amendment is requested to ensure continued alerting capability as required through the Public Health Emergency Preparedness cooperative agreement. These services are readily available through Global Secure Systems Corp. On October 26, 2005, the Fiscal Review Committee approved an amendment to this contract subject to obtaining a letter from the vendor describing maintenance costs in the second and subsequent years of the contract. On November 4, 2005, the vendor's letter was received stating they would "...continue providing system maintenance, technical support, and software upgrades as stipulated in section A.9 (milestone 7) at the same rate indicated in section C.3., Payment Methodology, Milestone 7 (\$9,398.00 per month) for a maximum period of five years."

Your favorable review and consideration of this request for a non-competitive amendment would be appreciated.

Sincerely,

Kenneth S. Robinson, M.D.
Commissioner



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
CORDELL HULL BUILDING
425 5th AVENUE NORTH
NASHVILLE, TENNESSEE 37247

PHIL BREDESEN
GOVERNOR

KENNETH S. ROBINSON, M.D.
COMMISSIONER

October 2, 2006

M. D. Goetz, Jr., Commissioner
Department of Finance & Administration
State Capitol, First Floor
Nashville, Tennessee 37243-0285

Dear Commissioner Goetz:

This is a request for a Non-Competitive Amendment with Global Secure Systems Corporation, which is being submitted less than sixty (60) days prior to the start date of the amendment.

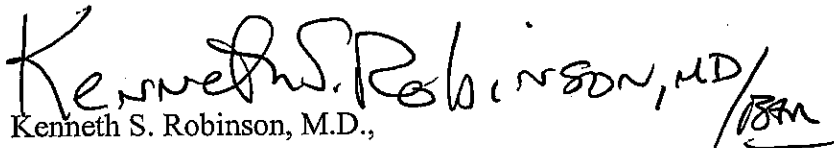
Global Secure Systems Corporation has provided maintenance and support for the integrated information and communications system, Tennessee Health Alert Network (T-HAN) since August 11, 2004.

When Amendment #1 was approved, it extended the contract period and ensured the Department of Health would receive maintenance, technical support and software upgrades through August 30, 2006. At that time, we requested and received a letter from the vendor ensuring a constant monthly rate for maintenance for a maximum period of five years, as required by the Fiscal Review Committee (FRC). Amendment #2, which would extend the contract through August 30, 2007, was submitted less than 60 days prior to the start date because we were not aware it would need to go before the FRC again for approval.

The contractor has not been authorized to commence work on the Scope of Services.

Your favorable approval of this request will be appreciated

Sincerely,


Kenneth S. Robinson, M.D.,
Commissioner

REQUEST: NON-COMPETITIVE AMENDMENT

RECEIVED

APPROVED

OCT 02 2006

FISCAL REVIEW

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	343.49-452-05	
2) State Agency Name :	Department of Health	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Integrated information and communications system for Statewide Bioterrorism Preparedness protection (Tennessee Health Alert Network/T-HAN)	
4) Contractor :	Global Secure Systems Corp./formerly Virtual Alert, Inc	
5) Contract #	FA-05-16083-01	
6) Contract Start Date :	08/11/2004	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	08/10/2007	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$591,671	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	2	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	08/31/06	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	08/30/07	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$704,447	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
This amendment extends the <u>Term Extension</u> , to provide for ongoing maintenance and support.		
15) Explanation of Need for the Proposed Amendment :		
Continue the ongoing funding to cover the maintenance and support expense for the Volunteer Mobilizer from August 31, 2006 through		

August 30, 2007.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Eric Shaffer, Global Secure Systems Corp., 8601 Ranch Road 2222, Suite 290, Austin, TX 78730

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

The Department believes it is in the State's best interest to use non-competitive negotiation in securing the additional maintenance and support services of Global Secure Systems Corp./formerly Virtual Alert, Inc. These services are readily available from Global Secure Systems Corp./formerly Virtual Alert, Inc., and will assure continued alerting capability as required through the Public Health Emergency Preparedness Cooperative agreement.


21) Justification for the Proposed Non-Competitive Amendment :

This contract was originally bid under the RFP process. The terms of the contract are being changed for the following reasons:

This amendment is needed to extend the total maintenance and support term from August 31, 2006 until August 30, 2007 to ensure system maintenance, technical support and software upgrades as needed during any emergency.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)


Kenneth S. Robinson, M.D., Commissioner

9/27/06

Agency Head Signature

Date

CONTRACT SUMMARY SHEET

DRAFT

021406

RFS #	Contract #
343.49-452-05	FA-05-16083-02
State Agency	State Agency Division
TENNESSEE DEPARTMENT OF HEALTH	HEALTH SERVICES ADMINISTRATION
Contractor Name	Contractor ID # (FEIN or SSN)
Global Secure Systems Corp.	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> X <input type="checkbox"/> V- 75-2992094-00

Service Description			
Integrated information and communications system for Statewide Bioterrorism Preparedness protection			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
11-Aug-04	30-Aug-07	vendor	93.283

Mark Each TRUE Statement					
<input checked="" type="checkbox"/> Contractor is on STARS			<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
343.49	135	139	11		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2005		\$ 182,105.00			\$ 182,105.00
2006		\$ 395,469.00			\$ 395,469.00
2007		\$ 108,077.00			\$ 108,077.00
2008		\$ 18,796.00			\$ 18,796.00
					\$ -
					\$ -
TOTAL:	\$ -	\$ 704,447.00	\$ -	\$ -	\$ 704,447.00

COMPLETE FOR AMENDMENTS ONLY			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	CRYSTAL ALLEN - (615) 741-9419
2005	\$ 182,105.00	\$ 0.00	State Agency Budget Officer Approval <i>Crystal Allen / BAR</i>
2006	\$ 395,469.00	\$ 0.00	
2007	\$ 14,097.00	\$ 93,980.00	
2008	\$ 0.00	\$ 18,796.00	
Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)			
TOTAL:	\$ 591,671.00	\$ 112,776.00	
End Date	30-Aug-06	30-Aug-07	

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business <input type="checkbox"/> NOT disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—

Contractor Selection Method (complete for ALL base contracts—N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method	
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (eg, ID, GG, GU)		

Procurement Process Summary (complete for Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
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Continue to provide on-going 24 hour a day, 7 day a week system technical support, and on going support for the investigation and debugging of software problems via telephone and, at a minimum, ensure all vendor introduced software upgrades provide for a fully operational T-HAN to include Volunteer Mobilizer software that meets the on going alerting needs of the State.

**AMENDMENT TWO
TO CONTRACT FA-05-16083-01**

This Contract, by and between the State of Tennessee, Department of Health, hereinafter referred to as the State, and Global Secure Systems Corp., hereinafter referred to as the Contractor, is hereby amended as follows:

~~Add the following as A.10. and renumber any subsequent sections as necessary~~

~~**A.10. Ensure System Maintenance, Technical Support, and Software Upgrades
Including Volunteer Mobilizer (Milestone 8)**~~

- a. Provide on-going 24 hour a day, 7 day a week system technical support, and on-going support for the investigation and debugging of software problems via telephone and, at a minimum, ensure all vendor introduced software upgrades provide for a fully operational T-HAN to include Volunteer Mobilizer software that meets the on-going alerting needs of the State.
2. Delete Sections B.1, B.2, C.1 and C.2 in their entirety and insert the following in their place:
- B.1. Contract Term. This Contract shall be effective for the period commencing on August 11, 2004 and ending on August 30, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period.
- B.2. Term Extension. The State reserves the right to extend this Contract for an additional period or periods of time representing increments of no more than one year and a total contract term of no more than four (4) years, provided that the State notifies the Contractor in writing of its intention to do so at least thirty (30) days prior to the contract expiration date. An extension of the term of this Contract will be effected through an amendment to the Contract. If the extension of the Contract necessitates additional funding beyond that which was included in the original Contract, the increase in the State's maximum liability will also be effected through an amendment to the Contract and shall be based upon rates provided for in the original contract.
- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Hundred Four Thousand Four Hundred Forty Seven Dollars (\$704,447). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work. In which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. The Contractor shall be compensated based upon the following Service Rates:

<p>MILESTONE/SERVICE</p>	<p>AMOUNT</p>
<p>Detailed System Design Document with Implementation Plan (Milestone # 1) (amount paid upon completion of the milestone)</p>	<p>\$ 70,000</p>
<p>Software Installation & Testing (Milestone # 2) (amount paid upon completion of the milestone)</p>	<p>\$ 192,770</p>
<p>Final Customized Software Installed (Milestone # 3) (amount paid upon completion of the milestone)</p>	<p>\$ 80,000</p>
<p>Training (Milestone # 4) (amount paid upon completion of the milestone)</p>	<p>\$ 20,000</p>
<p>Volunteer Mobilizer Software Installation, Testing & Training (Milestone # 5) (amount paid upon completion of the milestone)</p>	<p>\$ 133,000</p>
<p>Software Maintenance, Technical Support, & Software Upgrades T-HAN (Milestone # 6) Total amount for the entire period beginning on the date that the Final Customized Software Installed milestone is completed (August 15, 2005) and ending on the date Volunteer Mobilizer software is installed (April 30, 2006), to be paid in pro rated, quarterly amounts in arrears.</p>	<p>\$ 67,707</p>
<p>Software Maintenance, Technical Support, & Software Upgrades, Including Volunteer Mobilizer (Milestone # 7) Total amount for the entire period beginning on the date that the Volunteer Mobilizer software is installed (April 30, 2006) and ending (August 30, 2006) — to be paid in pro rated, quarterly amounts in arrears.</p>	<p>\$ 28,194</p>
<p>Software Maintenance, Technical Support, & Software Upgrades, Including Volunteer Mobilizer (Milestone #8) Total maintenance amount for the entire period beginning on the date of the new grant cycle (August 31, 2006) and ending (August 31, 2007) — to be paid in pro rated, quarterly amounts in arrears.</p>	<p>\$112,776</p>

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF,

GLOBAL SECURE SYSTEM, CORP:

Contractor Signature

Date

Mr. Eric Shaffer, President

Contractor Signatory Printed Name and Title

DEPARTMENT OF HEALTH:

Kenneth S. Robinson, M.D., Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date

Excerpts from October 26, 2005

Chairman McLeary: Yes.

Mr. Bengel: We think we are going to need about \$1,351,863 to take us on out.

Can we do just a little more than that?

Representative Rowland: Yes, I'll change my motion to \$1.4 million.

Chairman McLeary: It's been recommended by Representative Todd that since we have four UT contracts, that we take the Department of Health contract next. Does anyone have a problem? Okay, we are ready for Contract 6.

Contract 6 - RFS#343.49-452-05 (Department of Health with Global Secure Systems Corp.) - Presenter: Ms. Brenda Eggert.

Ms. Eggert: My name is Brenda Eggert. We are asking for an amendment to a contract that was a result of an RFP. We have several reasons for requiring the amendment. First of all, one is to change the legal name of the vendor. Another is to change the milestone date as a result of missed deadlines. Another is to change the term of the contract to coincide with the grant cycle.

Chairman McLeary: Why was the ending date in this contract changed?

Ms. Eggert: Mostly because we need to have the contract end with the grant cycle.

Chairman McLeary: Why did you create an option to extend the contract five years?

Ms. Eggert: We hope that as federal funding is available we will be able to extend the contract for maintenance of the system.

Chairman McLeary: This is all federal money, correct?

Ms. Eggert: Yes.

Chairman McLeary: How long do you plan to continue with this vendor without an RFP?

Ms. Eggert: We would hope to be able to continue it up to the five-year term.

Representative Todd: This is all federal flow-through money to the State and it's based on trying to spread it over a five-year period. Is that correct?

Ms. Eggert: Yes, that's correct.

Representative Todd: If in fact the federal government doesn't fund it through the five-year period, will you come back with another contract; delineate that service or just what will transpire with this program?

Ms. Eggert: That's a very good question. As long as the grant requires that we be able to contact our volunteers and our physicians and our nurses and so forth for emergency response, we will want to extend the contract so that we can maintain the system.

Representative Todd: In other words, we would have to come back and do a new contract with State funds. Is that what you are saying?

Ms. Eggert: If federal funds are not available, we most likely would not be able to extend the contract.

Representative Todd: Okay, that's what I was getting back to. It all depends on the federal money as far as this contract going forward.

Ms. Eggert: That's correct.

Senator Bryson: One of the reasons you gave for this contract was missed deadlines. Can you explain why we are extending a contract with a company that has missed deadlines?

Ms. Eggert: Actually the missed deadlines were mostly our fault due to problems that we had in getting the system up, getting the hardware purchased, getting the software purchased, getting the communications line hooked up, and lots of variables.

Senator Bryson: Can you give me an overview of what so far has been your analysis of the performance of the company?

Ms. Eggert: We have been very pleased with the company.

Representative Rowland: From time to time, if I remember correctly, on our RFP process there is an opportunity for the vendors who did not receive the contract to contest it - especially if things changed within what was in the RFP and what was awarded. My concern here is that in your description you indicate we are making changes to the scope of services that were not in the original contract. We are changing the contract term, adding a term extension clause, reducing the contract maximum liability, revising milestone dates. We are doing a lot of changes that were not in the original contract. I personally don't think it's fair to the others that bid on this not to give them the opportunity to say that even though all of that has changed our bid remains the same and that's where we are at. I think that opportunity should be out there and should exist. What rationale do you guys have for not going back to these folks and saying things have changed dramatically, and we want to give you the opportunity to see if you can meet or beat? Especially since we have already seen some failure, maybe not from the vendor's side but the State's side to meet some of the dates.

Ms. Eggert: That's a very good question. The only thing I can say, and I am not a technical person by any means, is that we have gotten so far into the process. We have the system implemented now and to stop that process and have to go through the RFP process again would only delay things further. I know that probably doesn't sound fair to the other vendors, but it's really in the best interest of the State to be able to do it this way.

Representative Rowland: It wouldn't have to be a full RFP. It could just be a request for interest if they would like to come back and visit. I am not suggesting a full RFP because that is a lengthy process.

Mr. Chairman, this is the second or third time we have seen this happen where there have been changes to scopes of services mid-term with a contract or immediately after it was awarded. I think that's something we need to look at, because there

seems to be a pattern starting here. It's not good business to change a contract mid-stream or shortly thereafter entering it when everyone else thought it was something else. I pose that to you to maybe bring up to the full Committee at a later time.

Chairman McLeary: Thank you. We will bring it up before the full Committee.

Representative Curtiss: I want to follow up on where Representative Rowland was going. Do you see anything in the change of the scope in what we are looking at here in this amendment that would open the door for another vendor to come back in and make a better price or for this particular vendor that was awarded the contract to make more money? It's really not changing the amount of the contract. Am I correct?

Ms. Eggert: That's correct. It's actually decreasing it mainly because the missed deadlines allowed us to save money on the maintenance. I really cannot imagine that another vendor would be able to give us anything at a better price, because this particular system is ready to go and they have everything that we need. Some new vendor would have to come in and start from scratch.

Representative Curtiss: I share the same concerns as Representative Rowland. If you have an RFP and it specified certain hardware or certain software and then later you changed the scope where the approved contractor could use an approved equal which costs less, ultimately putting more money on their bottom line, then, I think it would open the door where another vendor might have been able to give a cheaper price. That's where the real problem arises. When we change the contract to the point that the company awarded the bid is able to make more profit than they would have originally, then all of a sudden the other bidding vendors would have had the opportunity to reduce their bids. That's the thing we really need to safeguard against.

Senator Bryson: I think changing the contract has raised a lot of red flags. It looks like what we are doing is adding this volunteer mobilizer software. Correct?

Ms. Eggert: Correct.

Senator Bryson: And then we have a little bit of maintenance compared to the cost. How long will it take to put that software in?

Ms. Eggert: The vendor is telling us that they can do it right away. As you can see in the amendment, we have not required that until I think April.

Senator Bryson: If we extend the contract for two years and we put the new software in, are there other companies that can maintain this software or will we need to stay with this company when we rebid this?

Ms. Eggert: I'm sorry, but I don't know the answer to that.

Senator Bryson: That's an issue we get into with software a lot where there's only one company that can service it. We are then locked in to a sole source after that. That's a concern. If we are going to get ourselves locked in, which I can understand why we might because there may only be one piece of software we want, it seems to me we ought to have a long-term contract for the maintenance. Otherwise we kind of get ourselves in a real spot in two years when we actually try to renegotiate, they hold all the cards.

Chairman McLeary: We do have a comment here I think that we will bring to the full Committee on changing the scope in the middle of the contract which kind of knocks people out as far as the sole source bid.

Senator Bryson: Mr. Chairman, I am trying to think how at this point we do anything about the issue I just brought up regarding renegotiation of the maintenance. I am not sure how to do that at this point, because this contract is already way behind. I guess what I would like to do at a minimum is ask the Department of Health to put in the contract or get a commitment from the vendor on what the maintenance cost might be in years 2, 3 and 4. I think we need to look at it longer term than where we are. We are looking at \$28,000 right now for maintenance for about 18 months. If we can secure that going forward, it doesn't sound like that is too bad of a deal. But if it goes up to \$5,000 a month after that, and we don't have anywhere else to go, that's just a

concern. I am not saying the vendor has any intention of doing that, but it's just good prudent business I think. I would just ask the Department of Health to get a commitment or at least a letter from the vendor on what they anticipate that being.

Chairman McLeary: Another thing that Chairman Curtiss always brings up is that if you can hold back 10% to 15% to the end, you'll have a little leverage over them. I think everybody should do that. That's something to think about, too.

Representative Rowland: One suggestion that I think might be wise coming from this Committee and also help address some of Senator Bryson's concerns. We talk about going with software and getting locked in because it's proprietary or unusable from there. From this contract, it looks like we are talking databases. Specifically when we are talking about the volunteer database, it's indicating that currently it's an Excel spreadsheet with certain fields, and those are going to be imported. I believe it would behoove us to talk to OIR or look at some of the contracts we enter into going forward and making the data that is used in these programs something that can be imported and/or exported from commonly used business database software. I phrase it that way instead of saying Excel or Dbase or Access because Dbase was the common database software 15 years ago and it is now Access. We have Excel, and we have Lotus. My point is that those are currently used softwares that you can import and export data to and from. When we are looking at these programs we enter into with folks for information if that can be a requirement, then changing over to a new company doesn't mean that we have to manually input all the information again. It can be extracted as it needs to be and just reimported in there. That will save us a lot of discussion that I am seeing and hearing over and over again when it comes up with these software programs that we are buying into and then getting stuck with a 20-year contract. And it being outdated 20 years from now and the reason we haven't changed is because it's too time consuming to re-enter all the information. I would suggest that this become a part of what we look at with our software packages.

Chairman McLeary: That's a good comment, and we will pass that on to the full Committee.

Ms. Eggert: May I say that in the original RFP for this contract there was a requirement that the vendors adhere to state architectural requirements. That was in the contract.

Chairman McLeary: We run into this every time we meet. The software has just locked everybody out, and it's almost sole source the whole way. That's something that we will take a look at.

Representative Rowland: Would it be advisable at this point in time to make it a part of this contract? If we are going to make a recommendation to approve this contract, should we suggest or recommend that they include terminology that allows data to be imported or exported with the commonly used business databases?

Representative Curtiss: I think that when we get down to making a motion on the contract, it would be appropriate to include what Senator Bryson suggested that we get some type of schedule for continued maintenance - some kind of price agreed to on continued maintenance beyond the term of this contract. And also have a compatibility clause to make sure that the data saved in this database can be transferred to other databases in the future. I think if whoever makes the motion for approval of the contract puts that language in there, we will get what we are after.

Representative Rowland: I would like to make that motion.

Senator Bryson: I second the motion.

Chairman McLeary: The motion has been made and seconded. All in favor say aye. Any opposed? The motion carries unanimously.

Representative Todd: I don't want to hold up this process, but the federal government is giving us the money to maintain the federal contract. I just want to make sure that everyone understands that there are no State monies involved. Do we give the money back to the federal government if we don't use it?



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
COMMUNICABLE AND ENVIRONMENTAL DISEASE SERVICES
4TH FLOOR, CORDELL HULL BUILDING
425 FIFTH AVENUE, NORTH
NASHVILLE, TN 37247

RECEIVED

NOV 16 2005

FISCAL REVIEW

November 14, 2005

James W. White, Executive Director
State of Tennessee
Fiscal Review Committee
8th Floor, Rachel Jackson Building
Nashville, TN 37243-0057

Dear Mr. White:

Please find enclosed a copy of a letter from Global Secure Systems that addresses the Fiscal Review Committee's request in the meeting held on October 26, 2005, for a letter from the vendor describing maintenance costs in the second and subsequent years of the contract.

The requirement for maintaining data in a common, readily available database format is addressed in section A.2. of the amendment (...conformance to the State's Technical Architecture...) and we have also added verbiage in section A.7. (The ability to import any and all data from the Volunteer Mobilizer Software database into existing State application databases.) Therefore, this is not addressed in the letter from Global Secure Systems.

Thank you again for the opportunity to present our amendment request.

Sincerely,

Brenda Eggert
Administrative Services Manager

/tld

Enclosure

cc: Ben Riley



GLOBALSECURE SYSTEMS™

ONE FOCUS. ONE RESULT.

For a Truly Virtual Alert

November 4, 2005

Brenda Eggert
State of Tennessee
Department of Health
4th Fl, Cordell Hull Building
425 Fifth Ave., North
Nashville, TN 37247

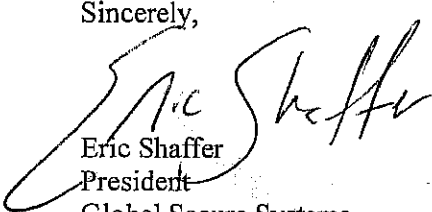
Dear Brenda,

Global Secure Systems is willing to continue providing system maintenance, technical support, and software upgrades as stipulated in section A.9 (milestone 7) at the same rate indicated in section C.3., Payment Methodology, Milestone 7 (\$9398.00 per month) for a maximum period of five years.

We reserve the right to adjust the monthly maintenance fee if the Department of Health increases the size or configuration of the existing system beyond the scope of this amendment, which is also bound by the terms of the pricing structure set forth in our original bid, particularly for user counts.

We appreciate your confidence and continued support of our products and services.

Sincerely,



Eric Shaffer
President

Global Secure Systems

Cc: Andrew Trickett
Dan Smith



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman
Representatives

Harry Brooks Mary Pruitt
Curt Cobb Donna Rowland
Bill Dunn David Shepard
Dennis Ferguson Curry Todd
Craig Fitzhugh, *ex officio*
Speaker Jimmy Naifeh, *ex officio*

Sen. Don McLeary, Vice-Chairman
Senators

Mae Beavers David Fowler
Jim Bryson Steve Southerland
Steve Cohen
Douglas Henry, *ex officio*
Lt. Governor John S. Wilder, *ex officio*

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
 Department of Finance and Administration

FROM: Charles Curtiss, Chairman
 Don McLeary, Vice-Chairman

DATE: October 26, 2005

SUBJECT: **Contract Comments**
 (Contract Services Subcommittee Meeting 10/26/05)

RFS# 343.49-452-05

Department: Health/Health Services Administration

Contractor: Global Secure Systems Corp. (formerly Virtual Alert, Inc.)

Summary: The contract amendment adds to the scope of services; reduces the term of the contract by one year; adds a term extension clause to the contract; reduces the maximum liability by \$4,309; and revises the milestone dates. The contract amendment term begins 1/2/2006 and ends 8/30/2006.

Original maximum liability: \$595,980

Maximum liability with amendment: \$591,671

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment subject to obtaining a letter from the vendor, Global Secure Systems Corporation, describing maintenance costs in the second and subsequent years of the contract, and subject further to maintaining the data in a common, readily available database format so that it can be exported and imported to another system.

cc: The Honorable Kenneth S. Robinson, M.D., Commissioner
 Mr. Robert Barlow, Director, Office of Contracts Review

CONTRACT SUMMARY SHEET

8-8-05

RFS #		Contract #	
343.49-452-05		FA-05-16083-01	
State Agency		State Agency Division	
Tennessee Department of Health		Bureau of Health Services Administration	
Contractor Name		Contractor ID # (FEIN or SSN)	
Global secure systems Corp./formerly Virtual Alert, Inc.		C- or <input checked="" type="checkbox"/> V- 75-2992094-00	
Service Description			
Integrated information and communications system for Statewide Bioterrorism Preparedness protection (Tennessee Health Alert N			
Contract BEGIN Date	Contract END Date	Subrecipient or Vendor?	CFDA #
11-Aug-04	30-Aug-06	Vendor	93.283
Mark, if Statement is TRUE			
<input checked="" type="checkbox"/> Contractor is on STARS as required		<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required	
Allotment Code	Cost Center	Object Code	Fund
343.49	135	139	11
Funding Grant Code	Funding Subgrant Code		
FY	State	Federal	Interdepartmental
2005		\$ 182,105.00	
2006		\$ 395,469.00	
2007		\$ 14,097.00	
TOTAL	\$ -	\$ 591,671.00	\$ -
COMPLETE FOR AMENDMENTS ONLY		State Agency Fiscal Contact & Telephone #	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Crystal Allen (615) 741-9419
2005	\$ 182,105.00	\$ -	State Agency Budget Officer Approval
2006	\$ 198,660.00	\$ 196,809.00	<i>Crystal Allen / BAP</i>
2007	\$ 198,660.00	\$ (184,563.00)	
2008	\$ 16,555.00	\$ (16,555.00)	
TOTAL			Funding Certification (certification required by T.C.A. § 9-4-5113; that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
TOTAL			\$ 595,980.00 \$ (4,309.00)
End Date	10 30-Aug-07	30-Aug-06	
Contractor Ownership			
<input type="checkbox"/> African American	<input type="checkbox"/> Disabled	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT minority/disadvantaged
Contractor Selection Method			
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Procurement Method
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Government		<input type="checkbox"/> Other
Procurement Process Summary			
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> PROCESSED JAN 19 2006 </div> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 20px;"> RECEIVED JAN 13 2006 </div> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 20px;"> DEPT. OF HEALTH SERVICES ADMIN. DEC 27 2005 </div>			
DIRECTOR OF ACCOUNTS			

COPY

4040102

CONTRACT SUMMARY SHEET

F. Number:	343.49-452-05	Contract Number:	FA-05-16083-00
State Agency:	TENNESSEE DEPARTMENT OF HEALTH	Division:	HEALTH SERVICES ADMINISTRATION
Contractor:		Contractor Identification Number:	
VIRTUAL ALERT, INC.		X V- C-	V752992094-00

Service Description: TO PROVIDE STATEWIDE, INTEGRATED INFORMATION AND COMMUNICATIONS SYSTEM

Contract Begin Date:	Contract End Date:
11-Aug-04	10-Aug-07

Allotment Code:	Cost Center:	Object Code:	Fund:	Grant:	Grant Code:	Subgrant Code:
343.49	48E	139	11	X on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
2005		\$182,105.00			\$182,105.00
2006		\$198,660.00			\$198,660.00
2007		\$198,660.00			\$198,660.00
2008		\$16,555.00			\$16,555.00
					\$0.00
					\$0.00
Total:	\$0.00	\$595,980.00	\$0.00	\$0.00	\$595,980.00

CFDA Number:	93.283	Check the box (below) ONLY if the answer is YES:	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name: WAYNE PIERSON		Is the Contractor a VENDOR? (per OMB A-133)	X
Address: 10TH FLOOR, ANDREW JOHNSON TOWER		Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone: (615) 741-9419		Is the Contractor on STARS?	X
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?	
		Is the Contractor's Form W-9 Filed with Accounts?	

Wayne Pierson / dp

COMPLETE FOR ALL AMENDMENTS (only)		
End Date >	Base Contract & Prior Amendments	This Amendment ONLY
FY		
FY		
FY		
FY		
FY		
FY		
FY		
Total:		\$0.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

RECEIVED
2004 AUG 24 PM 2:48
COMPTROLLER'S OFFICE
OFFICE OF
MANAGEMENT SERVICES

AUG 27 2004